

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	

Pere Marquette Charter Township

Mason County, Michigan

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2006

Pere Marquette Charter Township

Mason County, Michigan

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December 31, 2006

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Pere Marquette Charter Township

Mason County, Michigan

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INDEPENDENT AUDITORS' REPORT

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pere Marquette Charter Township as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pere Marquette Charter Township management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pere Marquette Charter Township as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2007 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and other supplemental information on pages 5 through 11 and 62 through 77 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pere Marquette Charter Township's basic financial statements. The combining and individual nonmajor fund financial statement are presented for purposes of additional analysis and are not a required part of the basic financial statements of Pere Marquette Charter Township. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Pere Marquette Charter Township. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The

A handwritten signature in black ink, appearing to read "Douglas W. Kelly". The signature is fluid and cursive, with the first name "Douglas" being more legible than the last name "Kelly".

Byron Center, Michigan
April 20, 2007

PERE MARQUETTE CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

Using this annual report

The purpose of this financial report is to help to understand GASB 34, the new reporting model established by the Governmental Auditing Standards Board. Pere Marquette Charter Township first implemented this new reporting standard for the fiscal year ending December 31, 2003.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government wide financial statements.

Following is a summary of the Statement of Net Assets.

	Governmental activities		Business-type activiteis		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 3,606,993	\$ 4,486,454	\$ 912,769	\$ 792,950	\$ 4,519,762	\$ 5,279,404
Capital assets	1,988,719	1,799,008	7,013,242	5,501,604	9,001,961	7,300,612
Total assets	5,595,712	6,285,462	7,926,011	6,294,554	13,521,723	12,580,016
Long-term liabilities outstanding	3,404,649	3,534,320	-	-	3,404,649	3,534,320
Other liabilities	392,163	340,128	45,020	58,906	437,183	399,034
Total liabilities	3,796,812	3,874,448	45,020	58,906	3,841,832	3,933,354
Net assets						
Invested in capital assets, net of related debt	1,634,399	1,799,008	7,013,242	5,612,701	8,647,641	7,411,709
Restricted	1,853,421	2,990,132	-	-	1,853,421	2,990,132
Unrestricted	(1,688,920)	(2,378,126)	867,749	622,947	(821,171)	(1,755,179)
Total net assets	\$ 1,798,900	\$ 2,411,014	\$ 7,880,991	\$ 6,235,648	\$ 9,679,891	\$ 8,646,662

PERE MARQUETTE CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

Following is a summary of the Statement of Activities.

	Governmental activities		Business-type activiteis		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues						
Charges for services	327,940	339,196	587,402	617,456	915,342	956,652
Operating grants and contributions	1,288,733	52,824	-	-	1,288,733	52,824
General revenues						
Property taxes	1,041,050	1,001,408	-	-	1,041,050	1,001,408
State shared revenue	156,424	155,682	-	-	156,424	155,682
Other	252,224	187,707	33,779	19,449	286,003	207,156
Total revenues	3,066,371	1,736,817	621,181	636,905	3,687,552	2,373,722
Expenses						
General government	700,405	889,273	-	-	700,405	889,273
Public safety	169,322	165,480	-	-	169,322	165,480
Public works	137,880	132,245	-	-	137,880	132,245
Health and welfare	-	9,500	-	-	-	9,500
Community and economic development	2,240,291	39,336	-	-	2,240,291	39,336
Recreation and culture	85,596	90,404	-	-	85,596	90,404
Capital outlay	-	-	-	-	-	-
Interest on long-term debt	141,951	185,609	-	-	141,951	185,609
Sewer	-	-	309,012	336,840	309,012	336,840
Water	-	-	272,928	288,245	272,928	288,245
Total expenses	3,475,445	1,511,847	581,940	625,085	4,057,385	2,136,932
Increase in net assets before transfers and capital contributions	(409,074)	224,970	39,241	11,820	(369,833)	236,790
Transfers	(203,040)	(298,930)			(203,040)	(298,930)
Capital contributions			1,606,102		1,606,102	
Increase in net assets	(612,114)	(73,960)	1,645,343	11,820	1,033,229	(62,140)
Net assets beginning of year	2,411,014	2,484,974	6,235,648	9,679,891	8,646,662	12,164,865
Net assets end of year	\$ 1,798,900	\$ 2,411,014	\$ 7,880,991	\$ 9,691,711	\$ 9,679,891	\$ 12,102,725

PERE MARQUETTE CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

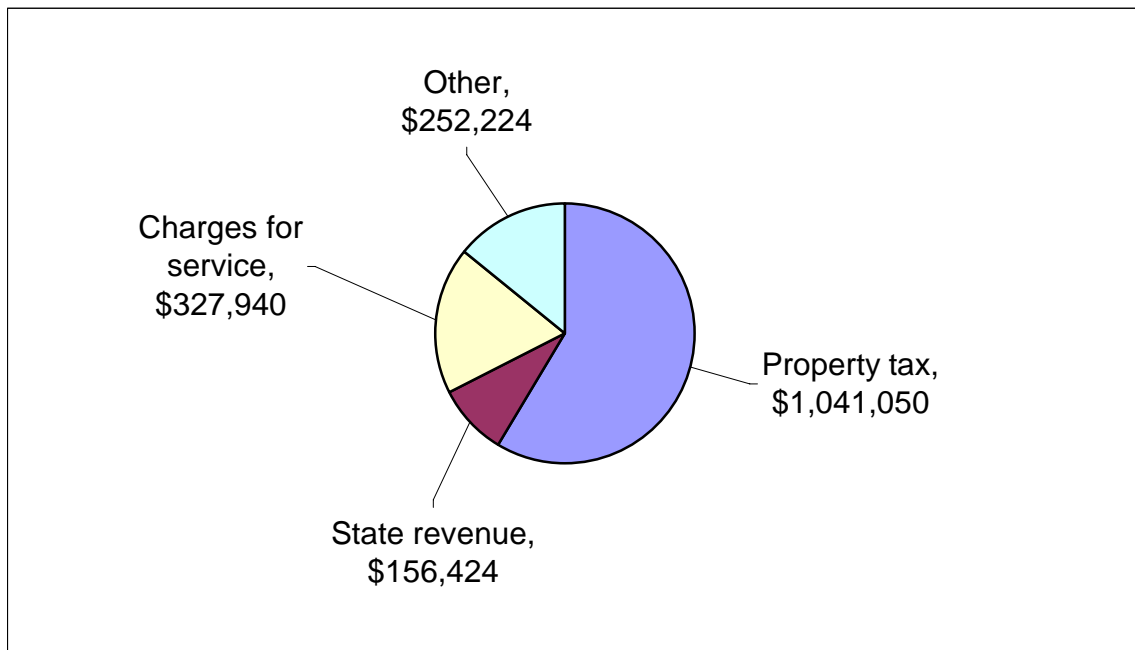
The Township as a whole

The Township as a whole has continued to maintain a solid financial base. The Township's combined net assets increased by \$1,033,229 or 11.95% in 2006. Unrestricted net assets - the part that can be used to finance day to day operations - increased by \$934,008 for governmental activities. Long-term debt related to the governmental funds decreased by \$135,655 from the prior year, reflecting bond payments made during the year.

The Township celebrated its Sesquicentennial (150 years of established history) during 2006. Activities included open houses, an historical reenactment, various historical displays, painting of murals and publication of *Pere Marquette Remembers*, a 262 page book on Township history. Funding for these activities came from the General Fund, private donations, and the sale of the book.

Governmental Activities

Revenue for Township operation is generated primarily from three sources: tax revenue, charges for services and permit fees, and State sources such as State revenue sharing and State grants, when awarded. The following chart illustrates the sources of the Township's revenue.



PERE MARQUETTE CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

Tax revenue is calculated by multiplying the taxable value of a property by the levied millage rate. The current tax millage levy at 2.85 mills Tax revenue is calculated on each property by multiplying the taxable value by the levied millage rate. For example, a home with a taxable value of \$60,000 (x .00285 mills) would generate Township tax revenue of \$171. There are no special levies for services provided by the Township, i.e., major services such as curbside refuse and recycling are funded within the 2.85 millage levy. The levy remained at 2.35 mills for the years 1997 through 2003, increasing to 2.85 in 2004 due to declining revenues and increasing expenses of operation.

Total revenue in the general fund shows a modest increase of \$180,741, resulting mainly due to increase in interest on investments and fees collected by a larger number of participants in various special services.

General Fund expenditures amounted to \$16,805 more-than the previous year. This increase is the result of increased cost of employee wages and benefits and miscellaneous operational expenses. Township departments generally were able to stay within and below budgeted numbers on expenditures. Budget status reports are reviewed by each department monthly so that they can evaluate and monitor expenditures.

Business-type Activities

The Township's business-type activities consist of the Water and Sewer Funds. The Township contracts with the City of Ludington for the purchase of water, and for sewage treatment service. The Township has increased the capability of this service throughout the past 20 years by installing additional water mains and sewage collection systems each year as funds allow. Construction of the systems has been funded by special assessment and general obligation bonds, bonds issued by the Hamlin/Pere Marquette Water and Sewer Authority, and smaller projects funded by the water and/or sewer funds. User connection fees are utilized to pay a portion of the yearly bond payments.

Operation of the water and sewer systems, including the purchase of water and sewage treatment by the City of Ludington, is paid through user fees based upon the amount of metered water used. A comparison of revenues and expenditures is evaluated at least every two years to determine whether rates are providing the necessary revenue to meet expenses of the system. The last water rate increase went into effect for the quarter beginning January 1, 2006. The last sewer rate increase also went into effect for the quarter beginning January 1, 2006.

PERE MARQUETTE CHARTER TOWNSHIP

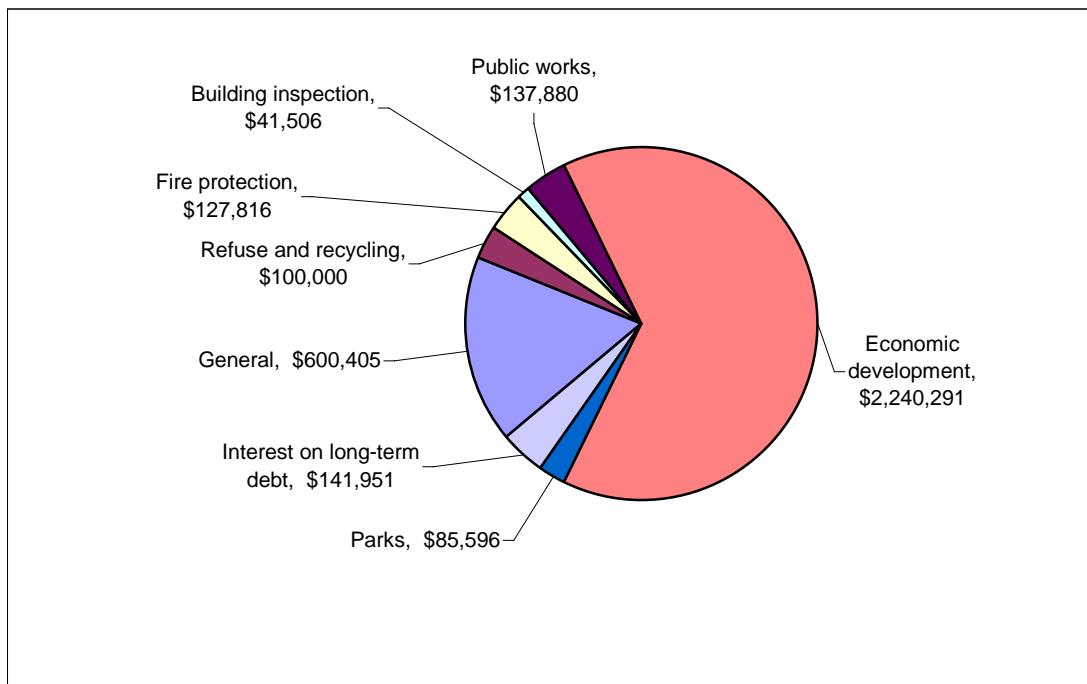
MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

The Township's Funds

Analysis of the Township's major funds begins on page 14, following the entity wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for various activities. The Township's major funds for 2006 include the General Fund, the General Obligation-Debt Service Fund, the Riverview/Riviera Debt Service Fund, the 2004 Capital Improvement Fund, and the Sewer and Water Funds.

The General Fund pays for most of the Township's governmental services. The most significant are fire department, park and recreation department, department of public works, curbside refuse and recycling collection, and building/zoning departments. These services are provided by a combination of general tax collection and user fees. The chart below illustrates how expenditures were allocated to various services in 2006.



Revenue and expense of the General Obligation-Debt Retirement Fund and the various Special Assessment Funds are directly reflective of the payment of bonds for funds borrowed for the installation of water and sewer service lines.

The 2004 General Obligation/Capital Improvement Fund was created in 2004 to account for the payment of debt incurred on the sale of bonds to be used to match a US Department of

PERE MARQUETTE CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

Commerce, Economic Development Administration Grant for the development of the First Street Business Park, construction of an elevated water tower, and installation of municipal water wells.

The Construction Fund was activated in 2004 to receive the proceeds from the sale of the 2004 Capital Improvement bonds and to account for revenue and expenditures associated with the construction of the First Street Business Park, water tower and municipal well project.

The Capital Improvement Fund is utilized to set aside and purchase and/or replace equipment or make major improvements or additions to Township assets. The Township strives to appropriate a yearly transfer of non-tax revenue from the General Fund to the Capital Improvement Fund to provide for the purchase and replacement of capital assets.

The Industrial Park Fund is utilized to account for the costs of construction, improvement and operation of the Township's two industrial park sites, as well as to account for the revenue from sale of industrial sites and funds received from grant sources.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. The most significant changes were amendments to recognize an increase in revenue from investments, user fees charged for park and recreation, and for sale of the Township's Sesquicentennial history book. The expenditure budget was amended to reflect cost for Sesquicentennial activities and book publication, a slight increase in personnel costs, and increased transfers to the Capital Improvement Fund and Industrial Park Fund. The Township strives to maintain a General Fund balance that approximates the amount of yearly expenditures.

Capital Asset and Debt Administration

At the end of 2006, the Township had \$9,001,961 invested in a broad range of capital assets, including buildings, park improvements, police and fire equipment, industrial park property, and water and sewer lines. Capital assets increased by \$1,701,349 due to the construction of the First Street Business Park, municipal wells, and elevated storage tank project. Major completion of these improvements is expected to occur in 2007. The project is 50% funded by a Public Works Grant awarded by the Economic Development Administration, US Department of Commerce.

In addition, the Township has invested significantly in roads within the Township. Road assets are not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the Mason County Road Commission (along with the responsibility to maintain them.)

PERE MARQUETTE CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

as of December 31, 2006

Economic Factors and Next Year's Budgets and Rates

Due to the financial constraints currently felt by the State of Michigan, it is very likely that revenue sharing to local governments will decrease even more in 2007 and 2008. Fees for services are not expected to increase and revenue from building permit fees is expected to remain low in 2007. Rates for water and sewer usage will be evaluated in 2007 and an increase in rates is possible. If rates are increased by the City of Ludington, it will be necessary to increase rates charged to Township users by a like amount.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Clerk's office as follows:

1699 S. Pere Marquette Highway
Ludington, MI 49431
phone: (231) 845-1277
email: pmclerk@peremarquettetwp.org
website: www.peremarquettetwp.org

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Pere Marquette Charter Township

Mason County, Michigan

Statement of Net Assets

For the year ended December 31, 2006

	Governmental activities	Business type activities	Total	Component units
GOVERNMENTAL ASSETS				
Cash and cash equivalents	\$ 1,600,404	\$ 758,650	\$ 2,359,054	\$ 4,410
Investments	523,326	18,056	541,382	-
Receivables (net)	1,483,263	127,906	1,611,169	-
Inventories	-	8,157	8,157	-
Capital assets - net	1,988,719	7,013,242	9,001,961	2,561,616
TOTAL ASSETS	\$ 5,595,712	\$ 7,926,011	\$ 13,521,723	\$ 2,566,026
GOVERNMENTAL LIABILITIES				
Accounts payable	\$ 109,727	\$ 45,020	\$ 154,747	\$ -
Accrued and other liabilities	36,309	-	36,309	42,564
Deferred revenue	116,456	-	116,456	-
Due within one year	129,671	-	129,671	165,000
Due in more than one year	3,404,649	-	3,404,649	955,000
TOTAL LIABILITIES	3,796,812	45,020	3,841,832	1,162,564
GOVERNMENTAL NET ASSETS				
Restricted				
Debt service	149,307	-	149,307	4,410
Capital projects	1,692,200	-	1,692,200	-
Right of way improvements	11,914	-	11,914	-
Invested in capital assets	1,634,399	7,013,242	8,647,641	1,441,616
Unrestricted	(1,688,920)	867,749	(821,171)	(42,564)
TOTAL NET ASSETS	1,798,900	7,880,991	9,679,891	1,403,462
TOTAL LIABILITIES AND NET ASSETS	\$ 5,595,712	\$ 7,926,011	\$ 13,521,723	\$ 2,566,026

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Statement of Activities

For the year ended December 31, 2006

Functions/Programs	Expenses	Charges for services
<u>Government activities</u>		
General government	\$ 700,405	\$ 186,119
Public safety	169,322	20,559
Public works	117,880	11,113
Community and economic development	2,240,291	465
Recreation and culture	85,596	109,684
Interest on long-term debt	141,951	-
Total Governmental activities	3,455,445	327,940
<u>Business activities</u>		
Sewer	309,012	298,314
Water	272,928	289,088
Total Business type activities	581,940	587,402
Total Primary government	4,037,385	915,342
<u>Component unit</u>		
Hamlin/Pere Marquette Water and Sewer Authority	\$ 90,953	\$ -
<u>General Revenues</u>		
Property taxes		
State-shared revenue		
Unrestricted investment income		
Rent and contracts		
Fines and forfeitures		
Capital contributions		
Miscellaneous		
Transfers		
Total general revenues - special items and transfers		
Change in net assets		
Net assets at beginning of year		
Net assets at end of year		

The notes to the financial statements are an integral part of this statement.

Operating grants and contributions	Governmental activities	Business-type activities	Total	Component units
\$ -	\$ (514,286)	\$ -	\$ (514,286)	
-	(148,763)		(148,763)	
-	(106,767)		(106,767)	
1,288,733	(951,093)		(951,093)	
-	24,088		24,088	
-	(141,951)		(141,951)	
1,288,733	(1,838,772)		(1,838,772)	
-		(10,698)	(10,698)	
-		16,160	16,160	
-		5,462	5,462	
1,288,733	(1,838,772)	5,462	(1,833,310)	
\$ -			\$ (90,953)	
	1,041,050	-	1,041,050	-
	156,424	-	156,424	-
	169,475	33,679	203,154	-
	4,900	-	4,900	-
	1,987	-	1,987	-
	-	1,606,102	1,606,102	-
	75,862	100	75,962	200
	(223,040)	-	(223,040)	223,040
	1,226,658	1,639,881	2,866,539	223,240
	(612,114)	1,645,343	1,033,229	132,287
	2,411,014	6,235,648	8,646,662	1,072,618
\$	1,798,900	\$ 7,880,991	\$ 9,679,891	\$ 1,204,905

Pere Marquette Charter Township

Mason County, Michigan

Governmental Funds

Balance Sheet

December 31, 2006

	General Fund	General Obligation Debt Service Fund	Riverview/Riviera Debt Service Fund
ASSETS			
Cash and cash equivalents	\$ 509,567	\$ 3,161	\$ 104,402
Investments	124,365	13,872	1,130
Taxes receivable	873,817	-	-
Accounts receivable	3,878	-	-
Special assessments receivable	-	31,036	73,988
Interest receivable	-	1,740	5,094
Due from other units of government	25,914	-	-
TOTAL ASSETS	\$ 1,537,541	\$ 49,809	\$ 184,614
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 10,135	\$ -	\$ -
Due to other units of government	17	-	-
Deferred revenue	-	31,036	73,988
TOTAL LIABILITIES	10,152	31,036	73,988
FUND BALANCES			
Reserved for			
Debt service	-	18,773	110,626
Capital outlay	-	-	-
Right of way improvements	-	-	-
Unreserved	1,527,389	-	-
TOTAL FUND BALANCES	1,527,389	18,773	110,626
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,537,541	\$ 49,809	\$ 184,614

The notes to the financial statements are an integral part of this statement.

2004 Construction Fund	Nonmajor Funds	Total
\$ 749,514	\$ 233,760	\$ 1,600,404
278,899	105,060	523,326
-	-	873,817
455,720	-	459,598
-	10,840	115,864
-	1,236	8,070
-	-	25,914
<u>\$ 1,484,133</u>	<u>\$ 350,896</u>	<u>\$ 3,606,993</u>

\$ 99,575	\$ -	\$ 109,710
-	-	17
-	11,432	116,456
<u>99,575</u>	<u>11,432</u>	<u>226,183</u>

-	19,908	149,307
1,384,558	307,642	1,692,200
-	11,914	11,914
-	-	1,527,389
<u>1,384,558</u>	<u>339,464</u>	<u>3,380,810</u>
<u>\$ 1,484,133</u>	<u>\$ 350,896</u>	<u>\$ 3,606,993</u>

Pere Marquette Charter Township

Mason County, Michigan

Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

For the year ended December 31, 2006

Total fund balances - total governmental funds	\$	3,380,810
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Capital assets at cost	3,011,337
Accumulated depreciation	(1,022,618)
Net capital assets	1,988,719

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Balances at December 31, 2006 were:

Bonds payable	(3,534,320)
Accrued interest on bonds	(36,309)
Net assets of governmental activities	\$ 1,798,900

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

For the year ended December 31, 2006

	General Fund	General Obligation Debt Service Fund	Riverview-Riviera Debt Service Fund
REVENUE			
Property taxes	\$ 1,200,662	\$ -	\$ -
Federal grants	-	-	-
State grants	152,725	-	-
Intergovernmental	-	-	-
Licenses and permits	21,559	-	-
Fines and forfeitures	1,987	-	-
Charges for services	151,023	3,588	-
Interest and rentals	76,486	779	4,856
Other revenue	17,248	10,006	29,883
TOTAL REVENUE	1,621,690	14,373	34,739
EXPENDITURES			
General government	498,310	-	-
Public safety	142,985	-	-
Department of public works	89,189	-	-
Community and economic development	35,064	-	-
Recreation and culture	81,831	-	-
Other governmental functions	166,120	-	-
Debt service	-	162,564	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	1,013,499	162,564	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	608,191	(148,191)	34,739
OTHER FINANCING SOURCES (USES)			
Transfers in	-	357,797	-
Transfers out	(427,450)	(221,240)	-
TOTAL OTHER FINANCING SOURCES (USES)	(427,450)	136,557	-
NET CHANGE IN FUND BALANCES	180,741	(11,634)	34,739
FUND BALANCES, BEGINNING OF YEAR	1,346,648	30,407	75,887
FUND BALANCES, END OF YEAR	\$ 1,527,389	\$ 18,773	\$ 110,626

The notes to the financial statements are an integral part of this statement.

2004 Construction Fund	Nonmajor Funds	Total
\$ -	\$ -	\$ 1,200,662
1,288,733	-	1,288,733
-	-	152,725
-	3,699	3,699
-	-	21,559
-	-	1,987
-	-	154,611
77,727	14,527	174,375
-	10,891	68,028
1,366,460	29,117	3,066,379
-	-	498,310
-	-	142,985
-	-	89,189
-	-	35,064
-	-	81,831
-	-	166,120
-	127,040	289,604
2,466,377	23,097	2,489,474
2,466,377	150,137	3,792,577
(1,099,917)	(121,020)	(726,198)
-	70,000	427,797
-	(2,147)	(650,837)
-	67,853	(223,040)
(1,099,917)	(53,167)	(949,238)
2,484,475	392,631	4,330,048
\$ 1,384,558	\$ 339,464	\$ 3,380,810

Pere Marquette Charter Township

Mason County, Michigan

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended December 31, 2006

Net change in fund balances - total governmental funds	\$	(949,238)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay added to capital assets.		284,157
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		135,655
Some expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Depreciation		(94,446)
Accrued interest		11,758
Change in net assets of government activities	\$	(612,114)

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Proprietary Funds

Statement of Net Assets

December 31, 2006

	Sewer Fund	Water Fund	Total
ASSETS			
Current assets			
Cash	\$ 582,966	\$ 175,684	\$ 758,650
Investments	5,660	12,396	18,056
Accounts receivable	50,670	40,028	90,698
Special assessments receivable	28,878	8,330	37,208
Inventory	588	7,569	8,157
Total current assets	668,762	244,007	912,769
Noncurrent assets			
Capital assets	3,358,133	3,655,109	7,013,242
TOTAL ASSETS	\$ 4,026,895	\$ 3,899,116	\$ 7,926,011
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 26,664	\$ 18,356	\$ 45,020
NET ASSETS			
Invested in capital assets - net of related debt	3,358,133	3,655,109	7,013,242
Undesignated	642,098	225,651	867,749
TOTAL NET ASSETS	4,000,231	3,880,760	7,880,991
TOTAL LIABILITIES AND NET ASSETS	\$ 4,026,895	\$ 3,899,116	\$ 7,926,011

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Proprietary Funds

Statement of Revenue, Expenses and Changes in Net Assets

For the year ended December 31, 2006

	Sewer Fund	Water Fund	Total
<u>OPERATING REVENUE</u>			
Sales	\$ 283,734	\$ 243,535	\$ 527,269
Installation and other charges	14,085	45,156	59,241
TOTAL OPERATING REVENUE	297,819	288,691	586,510
<u>OPERATING EXPENSES</u>			
Personal services	68,641	68,628	137,269
Contractual services	136,394	130,204	266,598
Utilities	8,654	2,197	10,851
Repairs and maintenance	6,392	1,768	8,160
Other	7,484	12,413	19,897
Depreciation	81,448	57,718	139,166
TOTAL OPERATING EXPENSES	309,013	272,928	581,941
OPERATING INCOME (LOSS)	(11,194)	15,763	4,569
<u>NONOPERATING REVENUE (EXPENSES)</u>			
Interest on investments	25,552	8,127	33,679
Penalty and interest charges	495	497	992
TOTAL NONOPERATING REVENUES (EXPENSE)	26,047	8,624	34,671
Income (loss) before contributions and transfers	14,853	24,387	39,240
Capital contributions	216,784	1,389,318	1,606,102
CHANGE IN NET ASSETS	231,637	1,413,705	1,645,342
NET ASSETS, BEGINNING OF YEAR	3,768,594	2,467,055	6,235,649
NET ASSETS, END OF YEAR	\$ 4,000,231	\$ 3,880,760	\$ 7,880,991

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Proprietary Funds

Statement of Cash Flows

For the year ended December 31, 2006

	Sewer Fund	Water Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers	\$ 316,294	\$ 286,597	\$ 602,891
Payments to suppliers	(169,399)	(149,661)	(319,060)
Payments to employees	(68,641)	(68,628)	(137,269)
Other receipts (Payments)	9,158	1,666	10,824
Net cash provided (used) by operating activities	87,412	69,974	157,386
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Purchase of capital assets	(7,786)	(36,915)	(44,701)
Other receipts (payments)	495	497	992
Net cash provided (used) by capital and related financing activities	(7,291)	(36,418)	(43,709)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of investments	-	(12,397)	(12,397)
Interest and dividends	25,552	8,127	33,679
Net cash provided by investing activities	25,552	(4,270)	21,282
Net increase (decrease) in cash and cash equivalents	105,673	29,286	134,959
Balances - beginning of year	482,953	146,398	629,351
Balances - end of year	\$ 588,626	\$ 175,684	\$ 764,310
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>			
Operating income (loss)	\$ (11,194)	\$ 15,763	\$ 4,569
Adjustments to reconcile Operating income to net cash			
Provided (used) by operating activities			
Depreciation expense	81,448	57,718	139,166
Change in net assets and liabilities			
Receivables - net	18,475	(2,094)	16,381
Inventories	27	305	332
Accounts and other payables	(10,502)	(3,384)	(13,886)
Change in special assessments	9,158	1,666	10,824
Net cash provided by operating activities	\$ 87,412	\$ 69,974	\$ 157,386

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Fiduciary Funds

Statement of Net Assets

For the year ended December 31, 2006

	Pension and Other Employee Benefit Fund Type	Agency Fund Type
ASSETS		
Cash and cash equivalents	\$ -	\$ 15,932
Investments - at fair value		396,347
Other investments	1,048,952	-
TOTAL ASSETS	\$ 1,048,952	\$ 412,279
LIABILITIES		
Deposits payable	-	15,584
Due to other funds	-	156,312
Due to other governmental units	-	239,727
Refunds payable and others	-	656
TOTAL LIABILITIES	-	\$ 412,279
NET ASSETS	\$ 1,048,952	

The notes to the financial statements are an integral part of this statement.

Pere Marquette Charter Township

Mason County, Michigan

Fiduciary Funds

Statement of Changes in Net Assets

For the year ended December 31, 2006

	Pension and Other Employee Benefit Fund Type
<u>ADDITIONS</u>	
Contributions	
Employer	\$ 68,614
Net appreciation (depreciation) in fair value of investments	96,105
Less Investment expense	(525)
Net investment income	95,580
TOTAL ADDITIONS	164,194
<u>DEDUCTIONS</u>	
Benefits	21,319
CHANGE IN NET ASSETS	142,875
NET ASSETS, BEGINNING OF YEAR	906,077
NET ASSETS, END OF YEAR	\$ 1,048,952

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Pere Marquette Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Pere Marquette Charter Township:

A. Reporting Entity

Pere Marquette Charter Township is governed by an elected seven-member Board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units

The Township is participant in the two-member Hamlin/Pere Marquette Water and Sewer Authority formed in 1990 under an interlocal agreement authorized by Act 233, Public Acts of Michigan, 1955, to establish and operate water and sewer systems. The members of the authority board are appointed by each government. Although the authority is legally separate from the Township, the authority is reported as if it were part of the primary government (discretely) because the operations of the facility are funded by and exclusively benefit the Township. Hamlin Township participates only to the extent of a legislative role. Complete financial statements of this component unit can be obtained from its administrative office at Hamlin/Pere Marquette Water and Sewer Authority, 1699 South Pere Marquette Highway, Ludington, MI 49431.

Jointly Governed Organization

The Township is also a participant in a joint venture, the Western Mason County Fire District Authority, with the City of Ludington and Hamlin Township. This authority is not considered to be a component unit of Pere Marquette Charter Township. Separate audit financial statements may be obtained from the Township Supervisor.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Pere Marquette Charter Township's property tax is levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in Pere Marquette Charter Township as of the preceding December 31st.

Although Pere Marquette Charter Township's 2006 ad valorem tax is levied and collectible on December 1, 2006, it is Pere Marquette Charter Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2006 taxable valuation of Pere Marquette Charter Township totaled \$389,016,460, of which \$48,852,070 were levied on IFT properties. The taxes levied consisted of the following:

		<u>Mills levied</u>		<u>Raising</u>
Ad valorem	\$	2.8500	\$	969,469
IFT		1.4250		69,614

These amounts are recognized in the General Fund financial statements as taxes receivable-current.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Obligation Debt Service Fund accounts for special assessments and other sources for the retirement of long-term debt.

Riverview Special Assessment Debt Service Fund accounts for special assessments for the retirement of long-term debt.

2004 Construction Fund accounts for the bond proceeds and construction costs of the First Street Industrial Park.

The government reports the following major proprietary funds:

The Water Fund and the Sewer Fund account for the activities of the water distribution system and sewage collection system.

Additionally, the government reports the following fund types:

The pension trust fund accounts for the activities of the employees retirement system which accumulates resources for pension benefit payments to qualified employees.

The deferred compensation trust fund accounts for amounts withheld from employees' pay in accordance with the Internal Revenue Code section 457.

Trust and agency funds to account for property tax collected on behalf of other units and various deposits.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected to also follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer funds also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets--Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and Sewer Lines	50 to 100 years
Vehicles	3 to 5 years
Office equipment	5 to 7 years
Computer equipment	3 to 7 years

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Compensated Absences (Vacation and Sick Leave)--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government.

Long-Term Obligations--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications--Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 2-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township normally follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before September 1, the Township supervisor submits to the Board, a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted at the Township hall to obtain taxpayer comments.

On or before December 31, the budget is adopted by resolution.

The transfer of budgeted amounts between departments within any fund or any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Budgeted amounts are presented as originally adopted, or as amended by the Township Board before December 31. Individual amendments were not material in relation to the original appropriations which were amended.

Budgets as presented for the General Fund are prepared on the modified accrual basis of accounting on the activity level. Encumbrances are not recorded at year end. Budget appropriations lapse at the end of each fiscal year.

Budgetary amounts reported herein are as originally adopted, or as amended by the Township Board throughout the operating year.

The Township legally adopts budgets for the General Fund, Special Revenue Funds and Enterprise Funds.

Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles, and consist only of those amounts contained in the formal budget approved as amended by the Township Board.

The legal level of control is at the activity level of the General Fund.

The Township Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the Township Board.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 3 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes Pere Marquette Charter Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in all of State statutory authority as listed above.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At the year end, the Township had \$2,357,304 of bank deposits (money market, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

Type of investment	Carrying value	How held
Federal Home Loan Banks	\$497,574	Counterparty
Federal Home Loan Mortgage Corporation	441,413	Counterparty
Morgan Stanley	352,219	Counterparty
ING	679,053	Counterparty

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Concentration of Credit Risk

According to the Township's investment policy, unreasonable risk inherent in over-investing in specific instruments, individual financial institutions or maturities are to be avoided. Of the Township's investments, more than 5 percent are in the following:

<u>Investment</u>	<u>Percent</u>
Federal Home Loan Banks	25.25%
Federal Home Loan Mortgage Corporation	22.40%
Variable rate annuities	17.88%
ING (deferred compensation)	34.47%

NOTE 4 - RECEIVABLES

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Special assessments	\$ -	\$ 116,456

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Balance January 1, 2006	Additions	Disposals	Balance December 31, 2006
Assets not being depreciated				
Land	\$ 283,267	\$	\$	\$ 283,267
Construction in progress		270,956		270,956
Capital assets being depreciated:				
Buildings	1,734,194	13,201		1,747,395
Land improvements	352,125			352,125
Equipment	357,594			357,594
Subtotal	2,443,913	13,201		2,457,114
Accumulated depreciation:				
Buildings	626,973	43,904		670,877
Land improvements	93,721	14,549		108,270
Equipment	207,478	35,993		243,471
Subtotal	928,172	94,446		1,022,618
Net capital assets being depreciated	1,515,741	(81,245)		1,434,496
Net capital assets	\$ 1,799,008	\$ 189,711	\$	\$ 1,988,719

Business-Type Activities	Balance January 1, 2006	Additions	Disposals	Balance December 31, 2006
Assets not being depreciated	\$ 8,969	\$	\$	\$ 8,969
Capital assets being depreciated:				
Mains	6,722,128	1,632,029		8,354,157
Equipment	228,544	18,775	311	247,008
Pumping stations	275,375			275,375
Subtotal	7,226,047	1,650,804	311	8,876,540
Accumulated depreciation:				
Mains	1,450,061	117,417		1,567,478
Equipment	146,575	18,222	997	163,800
Pumping stations	137,462	3,527		140,989
Subtotal	1,734,098	139,166	997	1,872,267
Net capital assets being depreciated	5,491,949	1,511,638	(686)	7,004,273
Net capital assets	\$ 5,500,918	\$ 1,511,638	\$ (686)	\$ 7,013,242

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$	27,741
Public safety		26,337
Public works		19,414
Community and economic development		3,988
Recreation and culture		16,966
Total governmental activities	\$	94,446

Business-Type activities:

Sewer	\$	81,448
Water		57,718
Total Business-Type activities	\$	139,166

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

	Transfers Out				Total
	General Fund	Jebavy Debt Service Fund	General Obligation Debt Service Fund		
Transfers In					
General Obligation Debt Service Fund	\$ 355,650	\$ 2,147	\$ -	\$	357,797
Hamlin-Pere Marquette Water and Sewer Authority	1,800	-	221,240		223,040
Capital Improvement Fund	50,000	-	-		50,000
Industrial Park Construction Fund	20,000	-	-		20,000
Total	\$ 427,450	\$ 2,147	\$ 221,240	\$	650,837

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 7 - LONG-TERM DEBT

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Contractual agreements and installment purchase agreements are also general obligations of the Township. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	Balance				Balance		Due within
	January 1, 2006		Additions	Reductions	December 31, 2006		one year
Township Bonds							
Payable	\$ 3,669,975	\$		\$ 135,655	\$ 3,534,320	\$	129,671
Hamlin/Pere Marquette							
Water and Sewer							
Bonds Payable	1,275,000			155,000	1,120,000		165,000
Totals	\$ 4,944,975	\$	\$	290,655	\$ 4,654,320	\$	294,671

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Annual debt service requirements to maturity for the above obligations are as follows:

December 31,	Bonds Payable		
	Principal	Interest	Total
2007	\$ 294,671	\$ 202,461	\$ 497,132
2008	293,890	186,960	480,850
2009	348,469	170,858	519,327
2010	243,820	155,082	398,902
2011	198,470	143,966	342,436
2012	200,000	133,656	333,656
2013	205,000	124,847	329,847
2014	220,000	115,392	335,392
2015	220,000	105,422	325,422
2016	225,000	95,184	320,184
2017	205,000	86,102	291,102
2018	210,000	78,321	288,321
2019	220,000	69,984	289,984
2020	230,000	60,984	290,984
2021	240,000	51,464	291,464
2022	275,000	40,872	315,872
2023	275,000	29,356	304,356
2024	275,000	17,669	292,669
2025	275,000	5,913	280,913
Totals	\$ 4,654,320	\$ 1,874,493	\$ 6,528,813

Long-term debt of Hamlin/Pere Marquette Water and Sewer Authority is included as Township debt because the Township has provided its backing on the authority bonds.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 8 - SEGMENT INFORMATION

The Township operates two funds which provide sewage and water services. Summary financial information for the sewer department is presented below:

Condensed Statement of Net Assets

	Sewer Fund	Water Fund
Assets		
Current assets	\$ 668,762	\$ 244,007
Capital assets	3,358,133	3,655,109
Total Assets	4,026,895	3,899,116
Liabilities		
Current liabilities	26,664	18,356
Net Assets		
Invested in capital assets	3,358,133	3,655,109
Unrestricted	642,098	225,651
Total Net Assets	\$ 4,000,231	\$ 3,880,760

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Condensed Statement of Revenue, Expenses, and Changes in Net Assets

	Sewer Fund	Water Fund
Charges	\$ 297,819	\$ 288,691
Depreciation	(81,448)	(57,718)
Other operating expenses	(227,565)	(215,210)
Operating income	(11,194)	15,763
Nonoperating revenue (expense)		
Investment earnings	25,552	8,127
Penalty and interest charges	495	497
Total nonoperating revenue and expenses	26,047	8,624
Income (loss) before contributions and transfers	14,853	24,387
Capital contributions	216,784	1,389,318
Change in net assets	231,637	1,413,705
Beginning net assets	3,768,594	2,467,055
Ending net assets	\$ 4,000,231	\$ 3,880,760

Condensed Statement of Cash Flows

	Sewer Fund	Water Fund
Net cash provided by (used in)		
Operating activities	\$ 87,412	\$ 69,974
Capital and related financing activities	(7,291)	(36,418)
Investing activities	25,552	(4,270)
Net increase (decrease) in cash	105,673	29,286
Beginning cash and cash equivalents	482,953	146,398
Ending cash and cash equivalents	\$ 588,626	\$ 175,684

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 9 - RISK MANAGEMENT

Pere Marquette Charter Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. Pere Marquette Charter Township participates in the Michigan Municipal Risk Management Authority for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority, that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with Pere Marquette Charter Township.

The Michigan Municipal Risk Management Authority's State Pool program operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Authority itself.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The Township has no post-retirement benefit plans at this time other than its pension plan.

NOTE 11 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

Defined Contribution Pension Plan

Pere Marquette Charter Township provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment (or other date). As established by (authority under which the pension obligation is established), Pere Marquette Charter Township contributes 6 percent of employees' base wages and employee contributions for each employee plus interest allocated to the employee's account are fully vested after 20 months of service.

Pere Marquette Charter Township's total payroll during the current year was \$526,633. The current year contribution was calculated based on covered payroll of \$411,132, resulting in an employer contribution of \$26,089.

Pere Marquette Charter Township

Mason County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 12 - DEFERRED COMPENSATION PLAN

The Pere Marquette Charter Township Board offers all Pere Marquette Charter Township employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Pere Marquette Charter Township's financial statements.

NOTE 13 - CONTINGENT LIABILITIES

The Township is a defendant in a Michigan Tax Tribunal appeal brought by Michigan Power Limited Partnership seeking to reduce the value of property at a con-generation station. In the opinion of Township's counsel, the likelihood of an unfavorable outcome is unknown and it is not possible to provide an estimate of the amount or range of potential loss.

REQUIRED SUPPLEMENTAL INFORMATION

Pere Marquette Charter Township

Mason County, Michigan

General Fund

Balance Sheet

December 31, 2006

	2006	2005
ASSETS		
Cash	\$ 509,567	\$ 143,848
Investments	124,365	290,416
Taxes receivable	873,817	922,587
Accounts receivable	3,878	130
Due from other units of government	25,914	-
TOTAL ASSETS	\$ 1,537,541	\$ 1,356,981
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 10,135	\$ 10,333
Due to other units of government	17	-
TOTAL LIABILITIES	10,152	10,333
FUND BALANCES		
Fund balance	1,527,389	1,346,648
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,537,541	\$ 1,356,981

Pere Marquette Charter Township

Mason County, Michigan

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006

	Original budget	Final budget	Actual	Variance with final budget	2005
REVENUES					
Property Taxes					
Current real property taxes	\$ 906,416	\$ 906,416	\$ 915,389	\$ 8,973	\$ 874,631
Current personal property taxes	51,300	51,300	56,431	5,131	56,963
Industrial facility tax	69,285	69,285	69,229	(56)	69,814
Penalties and interest on taxes	1,500	12,500	12,706	206	2,079
Property tax administration fee	163,493	163,493	146,907	(16,586)	141,587
Total Property Taxes	1,191,994	1,202,994	1,200,662	(2,332)	1,145,074
Federal Grants					
Homeland security fire department grant	-	-	-	-	52,824
State Grants					
State revenue sharing	155,983	155,983	152,725	(3,258)	152,140
Licenses and Permits					
Non-business licenses and permits	60	60	-	(60)	38
Business licenses and permits	17,500	20,500	21,559	1,059	17,398
Total Licenses and Permits	17,560	20,560	21,559	999	17,436
Fines and forfeitures	1,000	1,000	1,987	987	283
Charges for Services					
Services rendered	147,980	164,980	151,023	(13,957)	143,750
Fees	390	390	-	(390)	-
Total Charges for Services	148,370	165,370	151,023	(14,347)	143,750
Interest and Rentals					
Interest and dividends	15,000	60,000	71,586	11,586	19,092
Rent	1,500	1,500	4,900	3,400	1,300
Total Interest and Rentals	16,500	61,500	76,486	14,986	20,392
Other Revenue					
Reimbursements	7,000	7,000	8,895	1,895	12,656
Other	1,000	7,000	8,353	1,353	2,835
Total Other Revenue	8,000	14,000	17,248	3,248	15,491
TOTAL REVENUES	1,539,407	1,621,407	1,621,690	283	1,547,390

Pere Marquette Charter Township

Mason County, Michigan

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

December 31, 2006

	Original budget	Final budget	Actual	Variance with final budget	2005
Expenditures					
General government					
Township board	\$ 33,500	\$ 37,700	\$ 31,910	\$ 5,790	\$ 20,980
Supervisor	28,032	28,032	25,407	2,625	26,197
Superintendent	54,888	54,888	52,757	2,131	50,599
Administrator	14,404	14,404	8,092	6,312	7,774
Clerk	45,664	47,664	44,918	2,746	42,057
Audit	7,400	7,400	7,400	-	7,200
Board of review	1,800	1,800	1,151	649	1,453
Tax abatement review board	270	270	45	225	-
Treasurer	59,987	64,287	61,566	2,721	54,946
Assessor	93,375	93,375	78,214	15,161	85,569
Elections	10,058	11,558	8,350	3,208	10,394
Building and grounds	222,665	222,665	177,437	45,228	196,671
Cemetery	3,600	3,600	1,063	2,537	1,259
Total General government	575,643	587,643	498,310	89,333	505,099
Public safety					
Fire department	126,315	126,315	101,479	24,836	162,642
Building inspection	39,039	44,039	41,506	2,533	39,232
Total Public safety	165,354	170,354	142,985	27,369	201,874
Department of public works					
Public works	62,664	63,664	53,399	10,265	50,492
Street lighting	23,300	23,300	20,389	2,911	19,297
Highways, streets and bridges	43,804	31,654	15,401	16,253	42,642
Total Department of public works	129,768	118,618	89,189	29,429	112,431
Community and economic development					
Planning	14,575	14,575	10,780	3,795	10,354
Zoning	26,699	28,499	24,284	4,215	24,993
Total Community and economic development	41,274	43,074	35,064	8,010	35,347
Recreation and culture					
Parks and recreation	89,900	89,900	81,831	8,069	91,985

Pere Marquette Charter Township

Mason County, Michigan

General Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

December 31, 2006

	Original budget	Final budget	Actual	Variance with final budget	2005
Other governmental functions					
Employee fringe benefits	\$ 106,130	\$ 115,730	\$ 110,268	\$ 5,462	\$ 94,997
Retirement	18,583	24,583	20,334	4,249	19,701
Social security	33,555	36,555	33,647	2,908	32,691
Unemployment insurance	-	2,000	333	1,667	1,432
Tax tribunal refunds	23,550	5,500	1,538	3,962	494
Total Other governmental functions	181,818	184,368	166,120	18,248	149,315
TOTAL EXPENDITURES	1,183,757	1,193,957	1,013,499	180,458	1,096,051
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	355,650	427,450	608,191	180,741	451,339
OTHER FINANCING SOURCES (USES)					
Transfers out	(355,650)	(427,450)	(427,450)	-	(464,318)
NET CHANGE IN FUND BALANCES	-	-	180,741	180,741	(12,979)
Fund balance at beginning of year	1,346,648	1,346,648	1,346,648	-	1,359,627
Fund balance at end of year	\$ 1,346,648	\$ 1,346,648	\$ 1,527,389	\$ 180,741	\$ 1,346,648

Pere Marquette Charter Township

Mason County, Michigan

General Obligation Debt Service Fund

Balance Sheet

December 31, 2006

	2006	2005
<u>ASSETS</u>		
Cash	\$ 3,161	\$ 28,073
Investments	13,872	-
Special assessments receivable	31,036	35,231
Interest receivable	1,740	2,334
TOTAL ASSETS	\$ 49,809	\$ 65,638
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenue	\$ 31,036	\$ 35,231
Fund balance		
Reserved for debt service	18,773	30,407
TOTAL LIABILITIES AND FUND BALANCES	\$ 49,809	\$ 65,638

Pere Marquette Charter Township

Mason County, Michigan

General Obligation Debt Service Fund

Budgetary Comparison Schedule

December 31, 2006

	2006	2005
REVENUE		
Fees	\$ 3,588	\$ 36,705
Interest and dividends	779	433
Other	10,006	10,838
TOTAL REVENUE	14,373	47,976
EXPENDITURES		
Debt service		
Principal	125,702	120,868
Interest	36,562	43,638
Fees	300	600
TOTAL EXPENDITURES	162,564	165,106
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(148,191)	(117,130)
OTHER FINANCING SOURCES (USES)		
Transfers in	357,797	431,618
Transfers out	(221,240)	(297,230)
TOTAL OTHER FINANCING SOURCES (USES)	136,557	134,388
NET CHANGE IN FUND BALANCES	(11,634)	17,258
Fund balance beginning of year	30,407	13,149
Fund balance at end of year	\$ 18,773	\$ 30,407

Pere Marquette Charter Township

Mason County, Michigan

Riverview/Riviera Special Assessments Fund

Balance Sheet

December 31, 2006

	2006	2005
<u>ASSETS</u>		
Cash	\$ 104,402	\$ 75,888
Investments	1,130	-
Special assessments receivable	73,988	92,216
Interest receivable	5,094	-
TOTAL ASSETS	\$ 184,614	\$ 168,104
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenue	\$ 73,988	\$ 92,216
FUND BALANCES		
Reserved for debt service	110,626	75,888
TOTAL LIABILITIES AND FUND BALANCES	\$ 184,614	\$ 168,104

Pere Marquette Charter Township

Mason County, Michigan

Riverview/Riviera Special Assessments Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

December 31, 2006

	2006	2005
REVENUE		
Interest and dividends	\$ 4,856	\$ 5,572
Other	29,883	45,165
TOTAL REVENUE	34,739	50,737
EXPENDITURES		
Debt service		
Principal	-	200,000
Interest	-	10,935
Fees	-	425
Attorney	-	1,575
TOTAL EXPENDITURES	-	212,935
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	34,739	(162,198)
OTHER FINANCING SOURCES (USES)		
Transfers out	-	(37,000)
Prior period adjustments	-	(4,514)
NET CHANGE IN FUND BALANCES	34,739	(203,712)
Fund balance	75,887	279,600
Fund balance at end of year	\$ 110,626	\$ 75,888

Pere Marquette Charter Township

Mason County, Michigan

2004 Construction Fund

Balance Sheet

December 31, 2006

	2006	2005
<u>ASSETS</u>		
Cash	\$ 749,514	\$ 927,898
Investments	278,899	1,556,577
Accounts receivable	455,720	-
TOTAL ASSETS	\$ 1,484,133	\$ 2,484,475
<u>LIABILITIES AND FUND EQUITY</u>		
Accounts payable	\$ 99,575	\$ -
FUND BALANCES		
Reserved for capital outlay	1,384,558	2,484,475
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,484,133	\$ 2,484,475

Pere Marquette Charter Township

Mason County, Michigan

2004 Construction Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006 with comparative actual amounts for 2005

	2006	2005
REVENUE		
Interest and dividends	\$ 77,727	\$ 67,302
Federal grants	1,288,733	-
TOTAL REVENUE	1,366,460	67,302
EXPENDITURES		
Capital outlay	2,466,377	202,502
NET CHANGE IN FUND BALANCES	(1,099,917)	(135,200)
Fund balance beginning of year	2,484,475	2,619,675
Fund balance end of year	\$ 1,384,558	\$ 2,484,475

OTHER SUPPLEMENTAL INFORMATION

Pere Marquette Charter Township

Mason County, Michigan

Nonmajor Funds

Combining Balance Sheet

December 31, 2006

	Special Revenue Fund		Debt Service Funds			
	Metro Act Fund		2004 GO-CAP Improvement Fund	Linlook Debt Service Fund	Jebavy Debt Service Fund	
ASSETS						
Cash	\$	-	\$ 10,232	\$ -	\$	-
Investments		11,914	7,373		1,955	2,711
Special assessments receivable		-	-		7,138	3,702
Interest receivable		-	-		940	296
TOTAL ASSETS	\$	11,914	\$ 17,605	\$ 10,033	\$	6,709
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Deferred revenue	\$	-	\$ -	\$ 7,730	\$	3,702
FUND BALANCES						
Reserved for						
Debt Service		-	17,605		2,303	-
Capital Projects		-	-		-	3,007
Right of way improvements		11,914	-		-	-
TOTAL FUND BALANCES		11,914	17,605		2,303	3,007
TOTAL LIABILITIES AND FUND BALANCES	\$	11,914	\$ 17,605	\$ 10,033	\$	6,709

Capital Projects Funds			
Capital Improvement Fund		Industrial Park Construction Fund	Total
\$	162,050	\$ 61,478	\$ 233,760
	59,215	21,892	105,060
	-	-	10,840
	-	-	1,236
\$	221,265	\$ 83,370	\$ 350,896

\$	-	\$ -	\$ 11,432
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-	-	19,908
221,265	83,370	307,642
-	-	11,914
221,265	83,370	339,464
\$ 221,265	\$ 83,370	\$ 350,896

Pere Marquette Charter Township

Mason County, Michigan

Nonmajor Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

December 31, 2006

	Special Revenue Fund		Debt Service Funds		
	Metro Act Fund		2004 GO-CAP Improvement Fund	Linlook Debt Service Fund	Jebavy Debt Service Fund
REVENUE					
Intergovernmental	\$	3,699	\$ -	\$ -	\$ -
Interest and rents		400	2,816	-	121
Other	-	-	-	8,732	2,147
TOTAL REVENUE		4,099	2,816	8,732	2,268
EXPENDITURES					
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	10,000	-
Interest	-	-	115,726	873	-
Fees	-	-	241	200	-
TOTAL EXPENDITURES	-	-	115,967	11,073	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		4,099	(113,151)	(2,341)	2,268
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(2,147)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(2,147)
NET CHANGE IN FUND BALANCES		4,099	(113,151)	(2,341)	121
FUND BALANCES, BEGINNING OF YEAR		7,815	130,756	4,644	2,886
FUND BALANCES, END OF YEAR	\$	11,914	\$ 17,605	\$ 2,303	\$ 3,007

Capital Projects Funds		
Capital Improvement Fund	Industrial Park Construction Fund	Total
\$ -	\$ -	\$ 3,699
7,918	3,272	14,527
-	12	10,891
7,918	3,284	29,117
8,090	15,007	23,097
-	-	10,000
-	-	116,599
-	-	441
8,090	15,007	150,137
(172)	(11,723)	(121,020)
50,000	20,000	70,000
-	-	(2,147)
50,000	20,000	67,853
49,828	8,277	(53,167)
171,437	75,093	392,631
\$ 221,265	\$ 83,370	\$ 339,464

Pere Marquette Charter Township

Mason County, Michigan

Metro Act Fund

Balance Sheet

December 31, 2006

	2006		2005	
<u>ASSETS</u>				
Cash	\$	-	\$	7,815
Investments		11,914		-
<u>LIABILITIES AND FUND EQUITY</u>				
FUND BALANCES				
Fund balance	\$	11,914	\$	7,815

Pere Marquette Charter Township

Mason County, Michigan

Metro Act Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006 with comparative actual amounts for 2005

	Original budget	Final budget	Actual	Variance with final budget	2005
REVENUE					
Intergovernmental	\$ 3,500	\$ 3,500	\$ 3,699	\$ 199	\$ 3,542
Interest and dividends	60	60	400	340	165
TOTAL REVENUE	3,560	3,560	4,099	539	3,707
 NET CHANGE IN FUND BALANCES	 3,560	 3,560	 4,099	 539	 3,707
 Fund balance beginning of year	 7,815	 7,815	 7,815	 -	 4,108
 Fund balance end of year	 \$ 11,375	 \$ 11,375	 \$ 11,914	 \$ 539	 \$ 7,815

Pere Marquette Charter Township

Mason County, Michigan

2004 Capital Improvement Debt Service Fund

Balance Sheet

December 31, 2006

	2006	2005
<u>ASSETS</u>		
Cash	\$ 10,232	\$ 130,756
Investments	7,373	-
TOTAL ASSETS	17,605	130,756
<u>LIABILITIES AND FUND BALANCE</u>		
FUND BALANCES		
Reserved for debt service	\$ 17,605	\$ 130,756

Pere Marquette Charter Township

Mason County, Michigan

2004 Capital Improvement Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

December 31, 2006

	2006	2005
REVENUE		
Interest and dividends	\$ 2,816	\$ 4,379
EXPENDITURES		
Interest	115,726	103,189
Fees	241	263
TOTAL EXPENDITURES	115,967	103,452
NET CHANGE IN FUND BALANCES	(113,151)	(99,073)
Fund balance beginning of year	130,756	229,829
Fund balance end of year	\$ 17,605	\$ 130,756

Pere Marquette Charter Township

Mason County, Michigan

Linlook Special Assessment Fund

Balance Sheet

December 31, 2006

	2006	2005
ASSETS		
Cash	\$ -	\$ 1,748
Investments	1,955	2,305
Special assessments receivable	7,138	13,074
Interest receivable	940	591
TOTAL ASSETS	\$ 10,033	\$ 17,718
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Deferred revenue	\$ 7,730	\$ 13,074
FUND BALANCES		
Reserved for debt service	2,303	4,644
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,033	\$ 17,718

Pere Marquette Charter Township

Mason County, Michigan

Linlook Special Assessment Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006 with comparative actual amounts for 2005

	2006	2005
REVENUE		
Interest and dividends	\$ -	\$ 74
Other	8,732	7,384
TOTAL REVENUE	8,732	7,458
EXPENDITURES		
Debt service		
Principal	10,000	10,000
Interest	873	1,445
Fees	200	200
TOTAL EXPENDITURES	11,073	11,645
NET CHANGE IN FUND BALANCES	(2,341)	(4,187)
Fund balance beginning of year	4,644	8,831
Fund balance end of year	\$ 2,303	\$ 4,644

Pere Marquette Charter Township

Mason County, Michigan

1993 Jebavy Debt Service Fund

Balance Sheet

December 31, 2006

	2006	2005
ASSETS		
Cash	\$ -	\$ 2,442
Investments	2,711	-
Special assessments receivable	3,702	5,553
Interest receivable	296	444
TOTAL ASSETS	\$ 6,709	\$ 8,439
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Deferred revenue	\$ 3,702	\$ 5,553
FUND BALANCES		
Fund balance	3,007	2,886
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,709	\$ 8,439

Pere Marquette Charter Township

Mason County, Michigan

1993 Jebavy Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006 with comparative actual amounts for 2005

	2006	2005
REVENUE		
Interest and dividends	\$ 121	\$ 85
Other	2,147	2,295
TOTAL REVENUE	2,268	2,380
OTHER FINANCING SOURCES (USES)		
Transfers out	(2,147)	(2,000)
NET CHANGE IN FUND BALANCES	121	380
Fund balance beginning of year	2,886	2,506
Fund balance end of year	\$ 3,007	\$ 2,886

Pere Marquette Charter Township

Mason County, Michigan

Capital Projects Fund

Balance Sheet

December 31, 2006

	2006	2005
<u>ASSETS</u>		
Cash	\$ 162,050	\$ 171,437
Investments	59,215	-
TOTAL ASSETS	\$ 221,265	\$ 171,437
<u>LIABILITIES AND FUND EQUITY</u>		
FUND BALANCES		
Reserved for capital outlay	\$ 221,265	\$ 171,437

Pere Marquette Charter Township

Mason County, Michigan

Capital Projects Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006 with comparative actual amounts for 2005

	2006	2005
REVENUE		
Interest and dividends	\$ 7,918	\$ 3,545
EXPENDITURES		
Capital outlay	8,090	25,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(172)	(21,455)
OTHER FINANCING SOURCES (USES)		
Transfers in	50,000	70,000
NET CHANGE IN FUND BALANCES	49,828	48,545
Fund balance beginning of year	171,437	122,892
Fund balance end of year	\$ 221,265	\$ 171,437

Pere Marquette Charter Township

Mason County, Michigan

Industrial Park Construction Fund

Balance Sheet

December 31, 2006

		2006		2005
<u>ASSETS</u>				
Cash	\$	61,478	\$	21,386
Investments		21,892		53,707
TOTAL ASSETS	\$	83,370	\$	75,093
<u>LIABILITIES AND FUND EQUITY</u>				
FUND BALANCES				
Reserved for capital outlay	\$	83,370	\$	75,093

Pere Marquette Charter Township

Mason County, Michigan

Industrial Park Construction Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended December 31, 2006 with comparative actual amounts for 2005

	2006	2005
REVENUE		
Interest and dividends	\$ 3,272	\$ 2,225
Other	12	-
TOTAL REVENUE	3,284	2,225
EXPENDITURES		
Capital outlay	15,007	11,690
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,723)	(9,465)
OTHER FINANCING SOURCES (USES)		
Transfers in	20,000	-
NET CHANGE IN FUND BALANCES	8,277	(9,465)
Fund balance beginning of year	75,093	84,558
Fund balance end of year	\$ 83,370	\$ 75,093

Long-term Debt Schedules

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$420,000 System No. 2 Bonds - Hamlin/Pere Marquette Water & Sewer Authority

December 31, 2006

Year ended December 31,		Interest Rate	Principal		Interest		Total
2007	6.50%	\$	45,000	\$	1,463	\$	46,463
Totals		\$	45,000	\$	1,463	\$	46,463

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$135,000 Special Assessment Bonds

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	5.80%	\$ 5,000	\$ 441	\$ 5,441
2008	5.90%	5,000	148	5,148
Totals		\$ 10,000	\$ 589	\$ 10,589

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$980,000 System No. 3 Bonds - Hamlin/Pere Marquette Water & Sewer Authority

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	4.50%	\$ 85,000	\$ 10,238	\$ 95,238
2008	4.50%	90,000	6,300	96,300
2009	4.50%	95,000	2,137	97,137
Totals		\$ 270,000	\$ 18,675	\$ 288,675

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$500,000 General Obligation Limited Tax Bonds

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	6.20%	\$ 45,000	\$ 10,655	55,655
2008	6.30%	45,000	7,842	52,842
2009	6.40%	50,000	4,825	54,825
2010	6.45%	50,000	1,613	51,613
Totals		\$ 190,000	\$ 24,935	214,935

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$995,000 System No. 4 Bonds - Hamlin/Pere Marquette Water & Sewer Authority

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	5.55%	\$ 35,000	\$ 45,051	\$ 80,051
2008	5.60%	60,000	42,400	102,400
2009	5.60%	60,000	39,040	99,040
2010	5.65%	85,000	34,959	119,959
2011	5.65%	85,000	30,156	115,156
2012	5.70%	90,000	25,190	115,190
2013	5.75%	90,000	20,038	110,038
2014	5.80%	100,000	14,550	114,550
2015	5.80%	100,000	8,750	108,750
2016	5.85%	100,000	2,925	102,925
Totals		\$ 805,000	\$ 263,059	\$ 1,068,059

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$600,000 Title Retaining Installment Purchase Agreement

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	5.3875%	\$ 45,981	\$ 13,348	\$ 59,329
2008	5.3875%	48,459	10,871	59,330
2009	5.3875%	51,069	8,260	59,329
2010	5.3875%	53,820	5,509	59,329
2011	5.3875%	48,470	2,609	51,079
Totals		\$ 247,799	\$ 40,597	\$ 288,396

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$300,000 Installment Purchase Agreement

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	5.20%	\$ 33,690	\$ 5,539	\$ 39,229
2008	5.20%	35,431	3,798	39,229
2009	5.20%	37,400	1,945	39,345
Totals		\$ 106,521	\$ 11,282	\$ 117,803

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Bonded Debt

\$2,980,000 2004 General Obligation Capital Improvement Bonds

December 31, 2006

Year ended December 31,	Interest Rate	Principal	Interest	Total
2007	2.50%	\$	\$ 115,726	\$ 115,726
2008	2.50%	10,000	115,601	125,601
2009	3.00%	55,000	114,651	169,651
2010	3.00%	55,000	113,001	168,001
2011	3.00%	65,000	111,201	176,201
2012	3.20%	110,000	108,466	218,466
2013	3.30%	115,000	104,809	219,809
2014	3.45%	120,000	100,842	220,842
2015	3.50%	120,000	96,672	216,672
2016	3.70%	125,000	92,259	217,259
2017	3.75%	205,000	86,102	291,102
2018	3.75%	210,000	78,321	288,321
2019	4.00%	220,000	69,984	289,984
2020	4.00%	230,000	60,984	290,984
2021	4.10%	240,000	51,464	291,464
2022	4.13%	275,000	40,872	315,872
2023	4.25%	275,000	29,356	304,356
2024	4.25%	275,000	17,669	292,669
2025	4.30%	275,000	5,913	280,913
Totals		\$ 2,980,000	\$ 1,513,893	\$ 4,493,893

AUDITORS' REPORTS

COMMUNICATION WITH AUDIT COMMITTEE OR ITS EQUIVALENT

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

We have audited the general purpose financial statements of Pere Marquette Charter Township, Mason County, Michigan for the year ended December 31, 2006, and have issued our report thereon dated April 20, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated January 19, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Pere Marquette Charter Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Pere Marquette Charter Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Pere Marquette Charter Township are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2006. We noted no transactions entered into by Pere Marquette Charter Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Township Township Board and management of Pere Marquette Charter Township and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg, CPA
Byron Center, Michigan
April 20, 2007

MANAGEMENT COMMENTS LETTER

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

In planning and performing our audit of the financial statements of Pere Marquette Charter Township for the year ended December 31, 2006 we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated April 20, 2007 on the financial statements of Pere Marquette Charter Township.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations

A handwritten signature in black ink, reading "Douglas Wohlberg". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

Douglas Wohlberg, CPA
Byron Center, Michigan
April 20, 2007

MANAGEMENT COMMENTS LETTER

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

Page 2

Prior comments and suggestions

We had no comments for the year ended December 31, 2006.

1. Section 43(3)(a) [MCL 211.43(3)(a)] of the General Property Tax Act provides that local units with a state equalized value of more than \$15,000,000 shall, within 10 business days after the first and fifteenth day of each month, account for and deliver to the county treasurer and other tax assessing units, the tax collections on hand on the first and fifteenth day of each month. The Treasurer did not comply with this act; distributions were made approximately monthly. This occurred in part from the implementation of new property tax collection and accounting software. Township personnel have taken training and implemented procedures to ensure timely distribution of property taxes in the future.

RESOLUTION:

During our audit, we noted that the Treasurer did, within 10 business days after the first and fifteenth day of each month, account for and deliver to the county treasurer and other tax assessing units, the tax collections on hand on the first and fifteenth day of each month.

Current comments and suggestions

We have no comments for the year ended December 31, 2006.

INTERNAL CONTROL AND COMPLIANCE

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

We have audited the general purpose financial statements of Pere Marquette Charter Township, Mason County, Michigan, as of and for the year ended December 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pere Marquette Charter Township' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pere Marquette Charter Township' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, others within the organization, School Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg, CPA
Byron Center, Michigan
April 20, 2007

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

Compliance

We have audited the compliance of Pere Marquette Charter Township with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. Pere Marquette Charter Township, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Pere Marquette Charter Township' management. Our responsibility is to express an opinion on Pere Marquette Charter Township' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pere Marquette Charter Township' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Pere Marquette Charter Township' compliance with those requirements.

In our opinion Pere Marquette Charter Township complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Pere Marquette Charter Township is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Pere Marquette Charter Township' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

To the Township Board
Pere Marquette Charter Township
Mason County, Michigan

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, others within the organization, School Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Douglas Wohlberg". The signature is written in a cursive, flowing style with a large, prominent loop at the end of the last name.

Douglas Wohlberg, CPA
Byron Center, Michigan
April 20, 2007

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Expenditures of Federal Awards

For the fiscal year ended December 31, 2006

Federal Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Amount	Accrued (Deferred) Revenue July 1, 2005
U. S. Department of Commerce Public Works Development and Facilities Grant 06 01 04929	11.300	2,395,000	-

Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue December 31, 2006
1,288,733	833,013	455,720

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Findings and Questioned Costs

For the fiscal year ended December 31, 2006

Summary of Auditors' Results

The report on the financial statements was unqualified.

No reportable conditions in internal control were disclosed by the financial statement audit.

The audit disclosed no noncompliance which is material to the financial statements.

No reportable conditions in internal control were disclosed by the audit of major programs.

The report on compliance for major programs is unqualified.

The audit disclosed no audit findings which are to be reported under Section .510(a).

Major program is: Public Works Development and Facilities Grant.

The dollar threshold for distinguishing between Type A and Type B federal programs is \$300,000.

Pere Marquette Charter Township does not qualify as low risk.

Current Year Findings

There are no findings or questioned costs.

Prior Year Findings

There were no findings or questioned costs.

Pere Marquette Charter Township

Mason County, Michigan

Schedule of Reconciliation of Expenditures to Financial Statement Revenue

For the fiscal year ended December 31, 2006

Expenditures listed on the Schedule of Federal Financial Assistance			\$		1,288,733
Revenues as listed on the Governmental Funds Statement of Revenues,					
Expenditures and Changes in Fund Balances			\$		1,288,733